

Cleaner Commonwealth Fund

Frequently Asked Questions

What is the Cleaner Commonwealth Fund?

In 2012, the Kentucky Brownfield Redevelopment Program was granted \$850,000 from the U.S. Environmental Protection Agency (EPA) to establish a revolving loan fund for brownfield cleanups in Kentucky. The program has established the Cleaner Commonwealth Fund (CCF) to help public and private entities address pollutants at brownfield properties.

Who's eligible?

There are two pools of money in the Cleaner Commonwealth Fund. A portion of the funds is designated as grant funding, and the other portion is for no-interest or low-interest loans.

- Grants- Public entities, including local governments, quasi-government agencies and nonprofits (501c3), are eligible for grant funding in the Cleaner Commonwealth Fund.
- Loans- Both public and private entities, including nonprofits (501c3), are eligible to apply for loans from the fund.

For both the loans and grants, the applicant must meet [Bona Fide Prospective Purchaser](#) guidelines. There are exemptions for Innocent Land Owners, Contiguous Land Owners and those that have acquired the property through involuntary acquisition.

What properties are eligible for funding?

Site eligibility closely follows federal edibility for EPA grants. Properties that were purchased by an entity that adhered to the All Appropriate Inquiries (AAI) assessment rules and had an AAI performed no longer than six months prior to purchase of the property are potentially eligible for funding. The owner can't be a responsible party.

What properties are not eligible for funding?

The following conditions may make a site ineligible. If the property for which you are applying meets one of these conditions, contact the brownfield redevelopment staff and a property-specific determination can be made.

- The site is a facility subject to planned or ongoing CERCLA removal actions.
- The site is a facility subject to unilateral administrative orders, court orders, administrative orders on consent or judicial consent decree or to which a permit has been issued by the United States or an authorized state under the Solid

Waste Disposal Act (as amended by the Resource Conservation and Recovery Act (RCRA)), Federal Water Pollution Control Act (FWPCA), Toxic Substances Control Act (TSCA) or Safe Drinking Water Act (SDWA).

- The site is a facility subject to corrective action orders under RCRA (sections 3004(u) or 3008(h)) and to which a corrective action permit or order has been issued or modified to require the implementation of corrective measures.
- The site is a facility that is a disposal unit that has filed a closure notification under subtitle C of RCRA and to which closure requirements have been specified in a closure plan or permit.
- The site is a facility where there has been a release of polychlorinated biphenyls (PCBs) and is subject to remediation under TSCA.
- The site is a facility listed (or proposed for listing) on the National Priorities List (NPL).
- The site is a facility subject to unilateral administrative orders, court orders or administrative orders on consent or judicial consent decree issued to or entered into by parties under CERCLA
- The site is a facility subject to the jurisdiction, custody or control of the United States government. (This does not include land held in trust by the United States government for an Indian tribe.)
- The site has received funds from Kentucky's Petroleum Storage Tank Environmental Assurance Fund (PSTEAF) for remediation of a storage tank on a portion of the property.

Do I have to have a cleanup plan in place?

All grant and loan recipients must have a cleanup plan approved by the cabinet. This does not have to be in place at the time of application. No cleanup cost will be approved for reimbursement unless there has been an approved plan. Grant recipients must also provide a 20-percent match to the funds they receive. The match can be in-kind.

What can the funds be used for?

The Cleaner Commonwealth Fund is a cleanup program. Funds can be used for activities that are approved by the cabinet in order to remediate a property and prepare it for reuse. Some funds can be used for cleanup planning, such as an Analysis of Brownfield Cleanup Alternatives (ABCA). Phase I and II activities are not eligible expenses. Funds cannot be used for construction unless it is part of the remediation plan outlined in a cabinet approved cleanup plan.

How will funds be distributed?

Funds are distributed on a reimbursement basis. The grantee or loan recipient will submit a reimbursement form along with receipts to be approved by the cabinet. Funds will be transferred upon approval.

When will funds be available?

- The CCF will launch the grant program in 2014. The first RFP will be launched in March 2014. Funding decisions will be made in May, and projects can begin July 1, 2014.
- The loan program is still under construction, and the program is planning to launch the loan program in 2015.

How do I apply for funds?

At minimum, the program will release RFPs two times each year. During the RFP period, entities must fill out an application package, which will include an application document, assessment documents and other supporting materials. The application will be assessed and scored. Awards will be made depending on the quality of the application and in the case of the loans, the ability of an entity to repay debt.

How much grant funding can I apply for?

There will be two rounds of grant funding, one in early 2014 and one in the fall of 2014. The program anticipates awarding 3-5 subgrants totaling \$140,000 in each round. In each round, there will be \$105,000 available for hazardous waste cleanups and \$35,000 for petroleum-related cleanups. An entity can apply for up to \$50,000.

Is there a match requirement for the grants?

A 20-percent match is required for the grant. This match can be in-kind. It can be met with funding and resources from the applicant or a project partner.

How will they score the grant applications?

Eligible subgrant applications will be scored by a committee of staff members from the Department for Environmental Protection. (For the loans, the committee may be expanded to include input from someone with economic development experience.) For our initial RFP, applicants will be ranked based on a list of criteria within the following areas:

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| • Remediation plan | 20 points |
| • Project description and feasibility of success | 20 points |
| • Documented economic, health and/or environmental needs in the community, especially in the neighborhood of the project | 20 points |
| • Community engagement and partnership | 20 points |
| • Project benefits | 20 points |

I have applied for an EPA Brownfield Cleanup Grant. If I receive that grant, am I ineligible for funding through the CCF?

No, receiving funding from either the EPA or through the Cleaner Commonwealth Fund does not make you ineligible for the other funding. EPA brownfield grants can be combined with CCF funds to complete a project.

I have received money from another EPA-funded brownfield revolving loan fund in the state, can I still get funding from the CCF?

Yes. You can receive funding from any of the other revolving loan funds in the state (Louisville Metro and Northern KY Area Development District) and still apply for grants and loans through the CCF. Public entities can also still apply for EPA Cleanup Grants after receiving funding.

When will loans be available?

The Kentucky Brownfield Redevelopment Program plans to issue a Request for Proposals for loans in the first half of calendar year 2015.

How much can I borrow?

Unlike previous RFPs, the loans will also be available to the private sector. We anticipate issuing one or two loans, with a total of \$520,000 available—\$390,000 for hazardous waste cleanups and \$130,000 for petroleum cleanups.

What will the interest rate be on the loans?

Interest rates will range from no interest to low interest based on the type of entity applying and the current interest rate. Local government, nonprofits and quasi-governmental agencies can qualify for no-interest loans. Private entities can get loans with interest lower than rates available through other entities. Many banks are hesitant to loan on contaminated properties. CCF loans are one method of getting a clean property that would be eligible for a conventional loan to complete the project.

If I am a local government or nonprofit, is a portion of the loan forgivable?

For nonprofits and local governments, a portion of the loan may be forgivable if the project progresses adequately according to the approved cleanup plan.

What are the terms of the loan?

Exact terms for the CCF loans have not been established. In the coming months, the Kentucky Brownfield Redevelopment Program will announce more details, including when debt service will start and the amount of time allowed for loan repayment.